

FISCAL NOTE

Bill #: SB0210

Title: Lewis and Clark heritage trail acquisitions

Primary Sponsor: Cooney, M

Status: As Amended in Senate Committee

Sponsor signature	Date	David Ewer, Budget Director	Date
-------------------	------	-----------------------------	------

Fiscal Summary

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Expenditures:		
State Special Revenue	\$44,689	\$181,713
Revenue:		
State Special Revenue	\$0	\$0
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|---|
| <input type="checkbox"/> Significant Local Gov. Impact | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Natural Resources and Conservation (DNRC)

1. A new state special revenue account for the Corridor of Discovery would be created and funded through private donations. Commission members would not be paid a salary, but would be entitled to reimbursement for travel, meals, and lodging while engaged in commission business. It is assumed that the commission expenses would be paid from this new state special revenue fund. It is not possible to forecast the amount of revenue generated in the new fund for FY 2006 and FY 2007.
2. Lands acquired and designated for the Corridor of Discovery would be managed by the Trust Land Management Division of the Dept. of Natural Resources and Conservation (DNRC). These lands would be accounted for separate from the school trust grants and be considered non-trust school lands.
3. One new FTE would be needed to coordinate, administer, and implement this new program. Activities would include conducting and coordinating public meetings and comment, contract preparation work, environmental assessment coordination and preparation, research for feasibility of acquisition, etc. The cost of the FTE would be \$41,713 in annual salary and benefits. In addition, a new employee office package of \$1,703 and a replacement/new PC \$1,273 would be needed as well in FY 2006. These costs would be funded with the state special revenue fund created in this bill and would only be incurred if funds were collected.

Fiscal Note Request SB0210, As Amended in Senate Committee

(continued)

4. It is assumed for fiscal note purposes, that the Burlington Northern Santa Fe Railroad would not abandon the corridor for a minimum of six months and that the negotiation process would encompass the remainder of FY 2006. Operations costs for contracting title work are estimated at \$1,000 per mile for approximately 90 miles of rail line (\$1,000 x 90 miles) for a total of \$90,000 to be expended from the new state special revenue account in FY 2007, assuming revenue is received.
5. A Phase I Environmental Review would need to be conducted prior to the acquisition of property to determine environmental clean-up issues. In the case of railroad property, both railroad ties and bridge timbers could potentially contain a number of toxic chemical compounds (pentachlorophenol, etc.), which could leach out into adjacent soils; and in turn, subject the state to clean-up costs under the Resource Conservation and Recovery Act (RCRA). Any potential clean-up costs are not a function of the enactment of SB 210, but rather a function of acquiring the individual property easements. The costs of the Phase I analysis are estimated at \$50,000 to be incurred in FY 2007 and paid from the new state special revenue account, assuming revenue is received.

FISCAL IMPACT:

Department of Natural Resources and Conservation (DNRC)

	FY 2006 <u>Difference</u>	FY 2007 <u>Difference</u>
FTE	1.00	1.00

Expenditures:

Personal Services	\$41,713	\$41,713
Operating Expenses	<u>\$2,976</u>	<u>\$140,000</u>
TOTAL	\$44,689	\$181,713

Funding of Expenditures:

State Special Revenue (02)	\$44,689	\$181,713
----------------------------	----------	-----------

Revenues:

State Special Revenue (02)	unknown	unknown
----------------------------	---------	---------

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

State Special Revenue (02)	(\$44,689)	(\$181,713)
----------------------------	------------	-------------

LONG-RANGE IMPACTS:

By acquiring easements and lands for this bill, DNRC would be responsible for maintenance of the property and infrastructure to include abandoned rail road bridges, etc. It is not possible to ascertain the cost of bridge replacement and infrastructure in the future.

TECHNICAL NOTES:

Department of Natural Resources and Conservation (DNRC)

1. Currently, the rail bed extending from Helena, Montana to Great Falls, Montana has not been abandoned by Burlington Northern Santa Fe.
2. According to the Surface Transportation Board abandonment procedures for rail lines to be used for recreational trails, DNRC would potentially be acquiring easements as opposed to fee simple title for the land. Under these conditions, the possibility exists that the rail service may be re-activated on the same corridor at a future date and return the use to transportation purposes.